



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX – PACIFIC SOUTHWEST REGION
75 Hawthorne Street
San Francisco, CA 94105-3901

MAY 15 2015

May 15, 2015

Via Certified Mail: 7013 1090 0000 1618 1321
Return Receipt Requested

Mark G. Miller
Interim General Manager
Guam Waterworks Authority
Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, GU 96913

RE: Clean Water Act Section 308 Information Request (CWA-308-9-15-007)

Dear Mr. Miller:

I write to request information from Guam Waterworks Authority (GWA) regarding the report submitted by GWA to the U.S. Environmental Protection Agency (EPA) on March 26, 2015, entitled "Guam Waterworks Authority Projected Cash Flow Analysis Based Financial Capability Assessment: Issues and Outcomes." Today's request for information is directed to you, as Interim General Manager of GWA, pursuant to section 308(a) of the Clean Water Act (CWA), 33 U.S.C. § 1318(a), which authorizes EPA to require persons subject to the Act to furnish information, conduct monitoring, provide entry to the Administrator or authorized representatives, and make reports as may be necessary to carry out the objectives of the CWA.

EPA seeks your responses to the items listed in Attachment 1. Please read the attachment carefully before preparing your response. Your response to this initial Information Request must be postmarked within 30 days of receipt of this letter.

Please include the following certification signed by you, your responsible corporate officer, or duly authorized representative:

I certify under penalty of law that this submission was prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of those who manage the system or are directly responsible for gathering the information, I certify that the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and

imprisonment for knowing violations under the Clean Water Act and 18 U.S.C. § 1001.

Failure to comply with this Information Request can result in enforcement action for appropriate relief and penalties under section 309 of the CWA, 33 U.S.C. § 1319. Compliance with this Information Request does not relieve you of your obligation to comply with the CWA or other applicable laws and permits.

You cannot withhold from EPA what you may consider to be confidential business information. However, you have the discretion to assert, at the time of submission, a claim of business confidentiality for part or all of the requested information by following the requirements at 40 C.F.R. § 2.203(b). EPA will not disclose any information covered by such a claim except as authorized by 40 C.F.R. Part 2, Subpart B. If no claim of business confidentiality is received with your submission, EPA may make the information available to the public without further notice to you. All confidentiality claims are subject to EPA verification.

This Information Request is not subject to review by the Office of Management and Budget under the Paperwork Reduction Act because it is directed to fewer than ten persons and is therefore not a "collection of information" under 44 U.S.C. § 3502(3). It is also an exempt activity under 44 U.S.C. § 3518(c) and 5 C.F.R. § 1320.4.

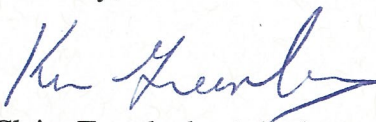
Please submit your response to:

U.S. Environmental Protection Agency, Region 9
CWA Compliance Office (ENF-3-1)
Attention: Susanne Perkins
75 Hawthorne Street
San Francisco, CA 94105-3901

In lieu of submitting the requested response by mail, you may submit your response as portable document files ("pdf"), including the signed certification, via electronic mail to Ms. Perkins at Perkins.Susanne@epa.gov.

Thank you for your cooperation and prompt attention to this matter. If you have questions, please contact Ms. Perkins of my staff at (415) 972-3208 or have your attorney contact Michael Knapp of the Office of Regional Counsel at (415) 947-4570.

Sincerely,


for Claire Trombadore, Assistant Director
Waste and Pesticides Branch
Enforcement Division

Enclosure: Attachment 1

cc with Enclosure via email: Samuel Taylor, GWA

Under the authority of Section 308(a) of the Clean Water Act, 33 U.S.C. § 1318(a), the United States Environmental Protection Agency, Region 9 (“EPA”) requires Guam Waterworks Authority to provide to EPA the information described below (“Request for Information”).

INSTRUCTIONS

1. Separate Response for Separate Question. Provide a separate narrative answer to, and segregate responsive documents by, each question or its subpart. Precede each answer with the number of the corresponding question or its subpart.
2. Best Information Available. Respond to the best of your ability, even if written documents are not available. Explain any qualified response. If you do not have the responsive information but know the person from whom the information may be obtained, identify the person.
3. Document Submission. Whenever requested to provide documents, provide copies of all responsive documents in your possession, custody or control. If a responsive document was, but no longer is, in your possession, custody or control, explain what was done with it. If another person has possession, custody or control of the document, identify the person. If the document was disposed of, explain when and why it was disposed of and who disposed of it.
4. Use of Document in Place of Answer. If a document provides the complete answer to a question, you may use it in place of a written answer by supplying the document and appropriately identifying the applicable portion of the document as answering a specific numbered question.
5. Identification of a Person. Whenever requested to identify a person, state:
 - a. as to an individual: the individual’s full name, title, contact information, and last known employer;
 - b. as to a corporation: its full name and contact information; and
 - c. as to a person other than an individual or a corporation: its official name, organizational form, and contact information.
6. Document Alteration or Deletion. Explain the reason and identify the person responsible for any deleted, altered or redacted portion of a submitted document.
7. Obligation to Correct. If you later discover that any submitted information is incorrect, submit a corrected response as soon as possible.
8. No Effect on Other Legal Obligations. This information request in no way alters or relieves you of other legal responsibilities or restrictions imposed on operations at the Site at the federal, state or local government level.

INFORMATION REQUEST

1. Guam Waterworks Authority Five-Year Rate Plan, FY 2014-2019 (referenced in the Excel spreadsheet model submitted by GWA).
2. Information on, and basis for, the number of households¹ receiving:
 - a. Water service
 - b. Wastewater service
 - c. Both water and wastewater service
3. If available, a GIS shapefile outline of the GWA water and wastewater service areas.²
4. Describe the basis for the FY2014 values of total Operations and Maintenance expense and total Debt Service expense of GWA allocated to wastewater activities alone.
5. If available, a Comprehensive Annual Financial Report or preliminary financial information for GWA for the year ended September 30, 2014 (FY2014).
6. FY2015 Budget for GWA.
7. Information on property tax collection rates (i.e., property tax revenues relative to property tax levies). If available, provide an up-to-date version of the “real property collection rate 2009-2013.xls” spreadsheet (John P. Camacho, Director of the Department of Revenue and Taxation, provided this spreadsheet in January 2014 for GWA’s Financial Capability Assessment).
8. The February 2014 Financial Capability Analysis (FCA) and the Strategic Financial Planning Model developed by Eric Rothstein and submitted to EPA in March 2015 (the Rothstein Planning Model) are based on different cost estimates as described below. Reconcile the two estimates into one final cost estimate of projected capital program and operations and maintenance expenditures with separate subtotals for potable water and wastewater projects. Provide a detailed explanation of the basis for the changes, including supporting documents, and revise the outputs of the two models accordingly. To the extent that GWA’s response retains the cost estimates provided in either the February 2014 FCA or the Rothstein Planning Model, explain the reason for the difference between the selected cost estimate and the rejected cost estimate.

¹ A household includes all the persons who occupy a housing unit as their usual place of residence. A housing unit is a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from outside the building or through a common hall. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements. (People not living in households are classified as living in group quarters.)

² The shapefile format is a geospatial vector data format for geographic information system (GIS) software.

- a. The February 2014 FCA projected capital program expenditures of \$515 million, with \$323 million for potable water and \$192 million for wastewater.
- b. The Strategic Financial Planning Model developed by Eric Rothstein (March 2015) forecasted total capital program expenditures of \$1,164 million for potable water (CIP-PW tab) and \$603 million for wastewater (CIP-WW tab), with an additional \$279 million in wastewater expenditures funded by the Department of Defense.